



NEW ZEALAND CYCLEWAY

2009 – 2012

Stage Three – Business Case Guidance Notes

(October 2009)

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1.0 Purpose

These guidance notes have been prepared to assist applicants that have progressed to stage three of the funding process for the New Zealand Cycleway Project.

2.0 Introduction

This document sets out, in broad terms, the requirements of a business case. This guidance may be updated with greater detail as the New Zealand Cycleway project progresses. All applicants that progress to stage three will be advised of updates as they are made.

The New Zealand Cycleway Technical Assessment Group (TAG) can provide technical advice throughout the process of completing this stage. Applicants should contact Ministry of Tourism staff in the first instance.

A glossary of terms used in this document is contained in the Guide to the Funding Process available on the Cycleway Website, at www.tourism.govt.nz/cycleway.

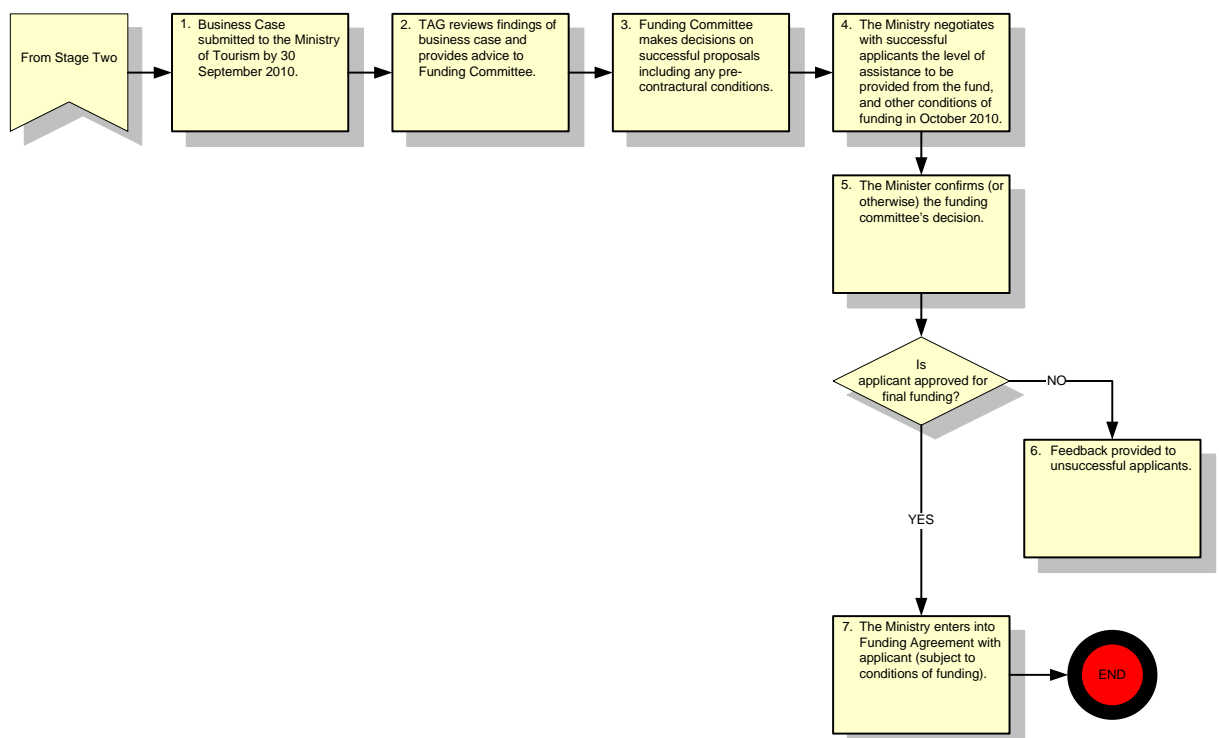
3.0 The Funding Process

The process to apply for funding will occur in three stages:

- Stage one requires the completion of a Concept Proposal;
- Stage two requires completion of a Feasibility Study; and
- Stage three required the submission of a Business Case.

These guidance notes are in relation to stage three - business case, as outlined in the following diagram.

Summary of Stage Three Decision Making Process



The timeframes for those proposals selected to progress to Business Case are:

30 June 2010 – Notification of selection for Business Case

30 September 2010 – Business Case completed

October 2010 – Successful Proposals approved for construction funding (subject to any conditions of funding in the final funding agreement such as obtaining resource consents)

4.0 Information required to be included in the Business Case

4.1 Table of Contents

Provide a table of contents.

Provide a list of figures and a list of tables (if applicable).

4.2 Executive Summary

Executive summary of the findings of the Business Case.

The executive summary is to be limited to 1,000 words.

4.3 Overview of the Project

Provide an overview of the project.

4.4 Project Plan

4.4.1 Purpose of Document

The project plan is not a 'master' project plan; it is a key control document for the project that forms a complete picture of how the project is going to work. It enables the project manager to implement a planned and controlled environment that can be monitored and maintained throughout the life of the project.

The project plan should:

- include the level of detail necessary to provide adequate information about progress and to provide a usable management tool for identifying 'pressure points' and other issues that may affect progress;
- include the tools that will be used to monitor and maintain the project plan, including how information from the project plan will be presented to stakeholders, and how project-level information will be integrated at the project level; and
- identify the information from the project plan that will be distributed, to whom, and when, as part of achieving the required communications for the project.

4.4.2 Summary Risk and Assumptions

Summary of the risks and assumptions identified against successful achievement of the project plan. The project's risk register should contain the detailed risk assessment and associated contingency actions.

4.4.3 Control Activities

Monitoring and control activities, data requirements, performance targets, and responsibilities.

4.5 Project Schedule

Overall project schedule showing the relative sequencing of the project, the grouping of project into tranches and milestone review points. The schedule should also include timings of communications activities, risk mitigation actions and quality review work to be carried out at the project level.

4.6 Marketing Strategy

Provide a plan showing how the cycleway is proposed to be marketed, both short and long term.

4.7 Organisation Plan

The structure must allow effective decision-making and efficient communication flows around the various members of the project team. The nature and size of the project will influence the design of an appropriate organisational structure. The structure will need to integrate with, and operate alongside, the existing management structures of the organisation(s). The organisational structure should reflect the management levels appropriate to the visibility and significance of the project.

4.7.1 Organisation Structure

Define the structure required to run the project. It is acknowledged that this may change during the life of the project.

4.7.2 Detailed Roles and Responsibilities

Detail the specific accountabilities, responsibilities and tasks of each role, as well as the specific skills and competencies, including the individual where appropriate identified for that role, and whether the role is expected to be filled externally.

4.8 Contracting and Procurement Plan

Provide detailed information on contracting and procurement processes.

4.9 Consultation and Stakeholder Management (Communications)

The communications plan for the project should cover information flows outward (from the project) and inward (into the project). The project will need input from stakeholders to inform and influence the project during its design and implementation. The communications plan indicates when, what, how, and with whom, information flows between the project and its stakeholders will be established and maintained.

4.9.1 Communication Purpose

Description of key messages and project information to be communicated, and the objectives for delivering these communications.

4.9.2 Communication Responsibilities

Responsibilities for delivering key messages and other information about the project.

4.9.3 Communication Channels

Description of channels to be used, also identifying whether feedback will be encouraged and what will be done as a result of the feedback?

4.9.4 Activities

Schedule of communications activities, including target audiences for each.

4.10 Quality Assurance Plan

The quality assurance plan should include the following components:

- Approach
 - Identify the stakeholder's quality requirements for the project;
 - Identify the required quality standards for the project;
 - Determine how to satisfy the quality standards;
 - Determine how to provide assurance i.e. determine the required activities to ensure the project is doing everything it needs to meet requirements;
 - Determine the controls and metrics i.e. monitoring of specific results required to determine compliance and to eliminate causes of unsatisfactory performance; and
 - Determine quality review processes.
- Stakeholder Expectations
- Project Quality Management Roles
- Quality Owners Project Team Stakeholders
- Project Quality Management
- Quality Management Requirements
- Project Management quality standards
 - Area
 - Phase
 - Quality item
 - Quality standard
 - Control
 - 'Owner' of the standard
 - Assurance mechanism

4.11 Funding Sources

Summarise the amount sought from the National Cycleway Fund, amount of contribution from other sources and any updates/amendments since the feasibility study was completed.

4.12 Risk Management

The risk management strategy should define how risks to the project will be identified, analysed, monitored, and controlled. It should also encompass the processes required for the management of risks and should define how any project risks that affect other parts of the project will be escalated, managed and controlled.

4.12.1 Risk Identification

How will risks be identified and quantified?

4.12.2 Probability and Impact

How will information about the risk probability and impact are defined?

4.12.3 Ownership

How will ownership will be handled?

4.12.4 Risk Responses

How will risk responses and actions will be identified?

4.12.5 Risk Decisions

How will decisions on risk management will be made, and by whom, for example, tolerance levels? How these decisions will be implemented?

4.12.6 Monitoring Actions

How will actions be monitored and evaluated for their effectiveness?

4.12.7 Communication

What communication mechanisms will be set up, how will stakeholders be engaged throughout the process?

4.13 Benefits Realisations

Benefit profiles are used to develop an overall benefits realisation plan showing how the total set of benefits will be realised. The benefits realisation plan should show the benefits will be achievable following the delivery of the project.

Priorities for benefit delivery should be considered to maximise opportunities for these early benefits.

The realisation of benefits must be allocated appropriate 'ownership' to ensure there is visible and demonstrable commitment from senior management. The 'owners' of the benefits will need to contribute to and endorse the benefits realisation plan.

4.13.1 Cost and Benefits Summary

Provide a summary of the cost and benefit details from the feasibility study, including the ongoing operational and maintenance costs.

4.13.2 Benefits Schedule

Schedule detailing when each benefit or group of benefits will be realised.

4.13.3 Benefits Review

Identification of appropriate milestones when a project benefit review could be carried out.

4.13.4 Sustaining the Benefits

Details of any handover activities, beyond the mere implementation of a deliverable or output, to sustain the process of benefits realisation after the project is complete.

4.14 Governance Structure and Partnerships

A governance structure will need to be determined as part of the feasibility studies.

Include a summary of the governance structure detailed in the feasibility study and show any amendments or changes since that stage.

4.15 Significant issues to be resolved prior to construction

Applicants must be able to clearly demonstrate how they intend to resolve any outstanding issues prior to construction. For example:

- Agreements in principle with landowners
- Consent schedule
- Details of potential/actual conflicts
- Other aspects that may impede the construction e.g. legal entity status

5.0 Declaration

The declaration must be signed by an authorised representative of the applicant.
Please print a copy of this declaration and attach it to the business case.

I declare on behalf of the Applicant that:

- I have read the Guide to the Funding Process and the Business Case Guidance Notes for submitting a proposal under the New Zealand Cycleway project and fully understand and accept the procedures, terms, conditions and criteria.
- all existing or potential conflicts of interest have been disclosed to The Ministry of Tourism.

Sign:	
Print Name:	
Title / Position:	
Date:	

Please send a hard copy of this proposal to the Ministry of Tourism at one of the addresses provided below.

<u>Postal address:</u> New Zealand Cycleway Project Ministry of Tourism PO Box 5640 Wellington	<u>Courier / physical address:</u> New Zealand Cycleway Project Ministry of Tourism 33 Bowen Street Wellington
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Office Use Only	
Date received:	
Date acknowledged:	
Proposal Number:	